

DDA 86-1797
30 October 1986

MEMORANDUM FOR: Executive Director

FROM: William F. Donnelly
Deputy Director for Administration

SUBJECT: Federal Managers' Financial Integrity Act

REFERENCE:

[Redacted box]

1. As required by reference, I have made an assessment of the operation of the internal accounting and administrative controls for all activities for which I am responsible.

2. In making that assessment, I have given full consideration, as required by paragraph e(1)(a) of reference, to the substance of findings of internal management reviews, staff reporting, audit or inspection reports received during the year, and of reported preliminary findings of significance from reviews, audits, or inspections of process. Particular attention has been given to any findings relating to:

(a) Alleged waste, loss, unauthorized use, or misappropriation resources, and

(b) Activities or proposed activities perceived to raise possible question of compliance with law, Executive Order, or regulation or that may otherwise appear improper.

3. None of the findings resulted in identification of a control weakness of sufficient materiality to warrant reporting as a material weakness in internal accounting and administrative controls.

4. Based upon the foregoing, I make the following certification:

"To the best of my knowledge, the activities taken place during FY 1986 within the Directorate of Administration have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective."

[Redacted box]
William F. Donnelly

STAT ORIG:EXA/DA: (30 Oct 86)

Distribution:

Original - Addressee

1 - D/OF

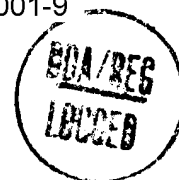
1 - DDA Subject

1 - DDA Chrono

1 - EXA/DA Chrono

Page Denied

Next 3 Page(s) In Document Denied



9 OCT 1986

ADPP 134-86

NOTE FOR: EA/DA

25X1

FROM:

33-1561

Assistant Director for Policy and Plans/OF

SUBJECT: Reporting Under Financial Managers' Integrity Act

25X1

REFERENCE:

1. You serve as the focal point in your Directorate for the certification process which supports reference reporting requirement. This office has assisted in past years in the development of the required reports for the DCI's signature. We also have acted as the repository for the Deputy Director's certification required by reference. We've noted in our review of these certifications that one Directorate has expanded on the basic format contained in reference to include reference to the review process which they followed in arriving at the certification. This expanded format seems a useful and worthwhile effort since it better supports the content of the Director's report (a copy of last year's is attached FYI).

2. I've attached a copy of this expanded format with some added modifications of our own and ask for your comments and thoughts on the utility of using it in lieu of the simpler format called for in reference. Frankly our hope is you will agree with us that this format is worthy of adoption by all Directorates, possibly even this year. However before we pursue this further we look forward to your input.

25X1

Attachments

25X1

CONFIDENTIAL

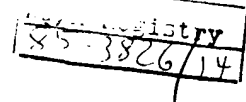
Page Denied

Next 1 Page(s) In Document Denied

Central Intelligence Agency



Washington, D.C. 20505



20 DEC 1985.

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

As required by the Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255), this is my report to you on the systems of internal accounting and administrative controls of the Central Intelligence Agency (CIA), the Intelligence Community Staff (ICS), and the National Intelligence Emergency Support Office (NIESO) in effect for Fiscal Year 1985.

During the year a comprehensive statement of responsibilities and procedures for assuring full compliance with that Act was included as an integral part of the formal Agency regulatory system.

*this was in response -
92 of M-86-1
dated 23 Oct 1985*

An evaluation of these systems was performed in reasonable accordance with the guidelines issued by the Office of Management and Budget. Senior officials in reporting the results of their respective evaluations were required to also evaluate the substance of findings of internal management reviews, staff reporting, and audit or inspection reports.

During the reporting period, four loss of fund situations have been brought to my attention. Each of these was discovered by the Agency's system of internal accounting and administrative controls, and has been reported to the Department of Justice for appropriate action. We have made a positive determination in each case that the loss was not attributable to an internal control weakness for which there is a cost effective remedy. The cost of additional resources to implement more stringent control measures would exceed the relative risks to be protected against.

Notwithstanding the foregoing, I am satisfied based upon the written certifications of responsible senior officials and evaluations of the findings of inspections and audits by the Office of the Inspector General that the CIA, ICS, and NIESO systems of internal accounting and administrative controls provide reasonable assurance that:

- (a) Obligations and costs comply with applicable law;
- (b) All assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and

The President

(c) Revenues and expenditures applicable to agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

I further report to you that, to the best of my knowledge based upon the evaluation and written assurance of the responsible senior official, the accounting system of the Agency, which also supports ICS and NIESO, substantially conforms with the principles, standards, and requirements prescribed by the Comptroller General.

Statements similar to this one are being provided to the Chairmen of the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence.

Respectfully yours,

/s/ William J. Casey

William J. Casey
Director of Central Intelligence